

EXECUTIVE SUMMARY

ADMINISTRATIVE CONTRIBUTION SURCHARGE ACT

HOUSE FILE 696

SIGNIFICANT CHANGES TO THE CODE OF IOWA

- Extends the sunset of the Administrative Contribution Surcharge to July 1, 2003. The Surcharge funds Iowa Workforce Development (IWD) rural and satellite offices.
- Requires the IWD Department to develop a Surcharge formula that generates revenues of \$6.5 million and caps the Surcharge at a maximum of \$7 per employee. If federal revenues for the rural and satellite offices increase, the Department is required to make a corresponding reduction in the Surcharge. An over-collection in one year is to be carried forward to the next year, and the Surcharge is to be reduced accordingly. The FY 2002 Administrative Contribution Surcharge Fund revenues are projected to decrease by approximately \$950,000 compared to the estimated FY 2001 revenues.
- Requires IWD to collocate rural and satellite department offices with community colleges or other government entities.
- Specifies the services to businesses and individuals that may or may not be funded with Administrative Contribution Surcharge revenues.

STUDIES AND INTENT LANGUAGE

- Requires IWD to develop performance measures for rural and satellite offices and conduct an annual review, including an examination of the feasibility of consolidating rural and satellite offices.
- Requires IWD to report to the Governor and General Assembly on the results of the reviews, the success of collocation efforts, and efforts to pursue other funding sources.
- Requires IWD to establish a pilot project to evaluate the feasibility of charging and collecting fees for certain customized or enhanced employer services.

EFFECTIVE DATE ENACTMENT DATE

- This Act takes effect upon enactment.
- This Act was approved by the General Assembly on June 19, 2001, and signed by the Governor on June 26, 2001.